

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

EU favors FTA with India, *India has a decisive role in climate change*, *Cheers! Delhi stores can soon retail wine*, *Get sugar from abroad, firms told*, *Aussie dairy companies to alter market dynamics*, *Revival of south-west monsoon to boost wheat production*.

General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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EU FAVORS FTA WITH INDIA

Head of the Delegation of the European Commission in India, Ambassador Daniele Smadja, said that the negotiations on the Indo-European Free Trade Agreement (FTA), which commenced in 2007, are still some distance away from yielding a result. A study commissioned by the EU reveals that an Indo-EU FTA would result in India's exports to the EU would increase by 10 percent. Ambassador Smadja said that the European Commission is committed to the FTA because it would go beyond trade liberalization that was achieved in the WTO. (Source: The Hindu, 09/12/09)

INDIA HAS A DECISIVE ROLE IN CLIMATE CHANGE

Speaking at an event organized by an industry association, the Danish Prime Minister, Lars Lokke Rasmussen said that India would and needed to play a fundamental role in tackling climate change. India's sheer size, vibrant democracy, weight in international politics and impact of the Indian businesses on world economy will result in impact on climate change that is bound to increase. The Indian Minister of State for Environment and Forests, Jairam Ramesh said that India had taken voluntary and unilateral action on mitigation because it believed it was answerable to its people and not the international negotiators on climate change. (Source: The Hindu, 09/12/09)

CHEERS! DELHI STORES CAN SOON RETAIL WINE

The Delhi state government will allow private department stores to retail wine from the next month, which will boost the sales of wine in the capital substantially. The wine industry has hailed the government's move and suggested it would result in a 30 percent increase in sale of wines in Delhi. Wines are currently being retailed by department stores in the states of Goa, Maharashtra, Haryana and Karnataka only. (Source: The Financial Express, 09/13/09)

GET SUGAR FROM ABROAD, FIRMS TOLD

Concerned over high prices of sugar, low supplies and decline in output because of drought, the government has asked soft drink manufacturers and other food processing companies like Coca Cola, Pepsi, Nestle, etc to buy sugar overseas. The Minister of State for Agriculture, Consumer Affairs, Food and Public Distribution said that these companies use large quantities of sugar and have been suggested to find some other mechanism of sourcing sugar. The

beverage manufacturers have been asked to respond within fortnight on the government proposal. (Source: Asian Age, 09/14/09)

AUSSIE DAIRY COMPANIES TO ALTER MARKET DYNAMICS

Dairy majors from Australia are expected to hit the Indian market in the next three to six months after the ban on the Australian dairy products has been lifted. Australian dairy companies are looking at high and medium end products and are not likely to pose serious competition for the Indian dairy industry. According to the Commercial Counselor of the Australian Trade Commission, Australian companies are planning to export cheese and value added products like cream, yogurt, butter and butter oil. Additionally, Australian dairy companies are primarily looking at a mid-segment market where they will target their value-added products that will be priced at a higher level. Therefore, they will not be an immediate competitor to the Indian companies like Amul, Britannia or Godrej. Industry experts opine that the real threat of dairy imports from countries like Australia and New Zealand is that they will affect the Indian butter and ghee market as the Indian prices for these products are higher than the imported products. (Source: The Financial Express, 09/18/09)

REVIVAL OF SOUTH-WEST MONSOON TO BOOST WHEAT PRODUCTION

The late monsoon rains over much of northern, western, and central India would aid in wheat planting. Additionally, if the weather remains conducive during the growing season, India has a potential to surpass last year's record wheat output. According to the Project Director of the Directorate of Wheat Research (DWR), the area left vacant from low paddy acreage may be shifted to wheat and that could lead to substantial wheat production. To compensate for the losses in *kharif* acreage, the Government plans to expand the area under wheat and also improve its per hectare yield. Accordingly, the DWR has held a meeting with the agricultural departments of the northern and western states along with the officials of the Indian Council of Agricultural Research, to formulate strategies to enhance the wheat and barley production in the coming *rabi* season. (Source: The Financial Express, 09/16/09)

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